HUD FLASH

Covering Eastern Washington Communities

Season's Greetings

Fair Market Rents for the Housing Choice Voucher Program and Moderate Rehabilitation Single Room Occupancy Program – Fiscal Year 2005

Section 8 of the USHA (42 U.S.C. 1437f) authorizes housing assistance to aid lower income families in renting safe and decent housing. Housing assistance payments are limited to Fair Market Rents (FMRs) established by HUD for different areas. In the Housing Choice Voucher program, the FMR is the basis for determining the "payment standard amount" used to calculate the maximum monthly subsidy for an assisted family (24 CFR 982.503). In gerneral, the FMR for an area is the amount that would be needed to pay the gross rent (shelter rent plus utilities) of privately owned, decent, and safe rental housing of modest (non-luxury) nature with suitable amenities. In addition, all rents subsidized under the Housing Choice Voucher program must meet reasonable rent standards.

Fiscal Year (FY) 2005 Fair Market Rents (FMR)

BY COUNTY	0 BR	1BR	2BR	3BR	4BR
Adams County	$ 354.00	$ 422.00	$ 541.00	$ 726.00	$ 749.00
Asotin County	$ 357.00	$ 458.00	$ 550.00	$ 735.00	$ 853.00
Benton/Franklin County	$ 442.00	$ 482.00	$ 605.00	$ 818.00	$ 969.00
Columbia County	$ 365.00	$ 426.00	$ 562.00	$ 758.00	$ 906.00
Ferry County	$ 354.00	$ 419.00	$ 541.00	$ 726.00	$ 749.00
Garfield County	$ 365.00	$ 426.00	$ 562.00	$ 758.00	$ 906.00
Grant County	$ 361.00	$ 429.00	$ 555.00	$ 750.00	$ 770.00
Lincoln County	$ 354.00	$ 419.00	$ 541.00	$ 726.00	$ 749.00
Pend Oreille County	$ 354.00	$ 419.00	$ 541.00	$ 726.00	$ 749.00
Spokane County	$ 398.00	$ 466.00	$ 614.00	$ 843.00	$ 956.00
Stevens County	$ 351.00	$ 423.00	$ 540.00	$ 740.00	$ 808.00
Walla Walla County	$ 365.00	$ 426.00	$ 562.00	$ 808.00	$ 833.00
Whitman County	$ 395.00	$ 435.00	$ 564.00	$ 796.00	$ 975.00

Earned Income Tax Credit

The Department of Housing and Urban Development (HUD) and the Internal Revenue Service (IRS) will partner with local organizations to promote a national tax assistance program that will assist low-income, disable, elderly and limited English proficient persons in meeting their tax obligation, as well as provide information on Earned Income Tax Credits.

Last year, more than 21 million taxpayers collected more than $36 billion in Earned Income Tax Credit (EITC) payments, which is a refundable credit for low-income working individuals and families. The amount of EITC received

by a family is determined by income and family size. When the EITC exceeds the amount of taxes owed, it results in a tax refund to those who claim and qualify for the credit. The EITC is money for people who work but don't earn high enough income

In Eastern Washington, for the year 2001, $87,505,870 was disbursed to 53,955 families through the Earned Income Tax Credit (EITC) program, an average of $1,622 per family. This was extra money that families could use to put food on the table, move into better housing or pay off credit card debt. This is also money that is put back into the community. The Eastern Washington HUD Field Office is asking for your help to promote Earned Income Tax Credits to the low-income families that you work with. If you need more information on these credits, please call 509-353-0674.

Predatory Lending

Predatory lending is becoming prevalent in Eastern Washington, especially in the rural areas. Due to the rise of cases of predatory lending, it is important for agency staff to recognize the signs of predatory lending.

What is Predatory Lending?
- Sell properties for much more than they are worth, using false appraisals.
- Encourage borrowers to lie about income, expenses, or cash available in order to get a loan.
- Knowingly lend more money than a borrower can afford to repay.
- Charge high interest rates to borrowers based on their race or national origin and not on their credit history.
- Charge fees for unnecessary or nonexistent products and services.
- Pressure borrowers to accept higher-risk loans such as balloon loans, interest only payments, and steep pre-payment penalties.
- Target vulnerable borrowers to cash-out refinances offers when they know borrowers are in need of cash due to medical, unemployment or debt problems.
- "Strip" homeowners' equity from their homes by convincing them to refinance again and again when there is no benefit to the borrower.
- Use high-pressure sales tactics to sell home improvements and then finance them at high interest rates.

What Tactics Do Predators Use?
- A lender or investor tells you that they are your only chance of getting a loan or owning a home.
- Asked to sign a sales contract or loan documents that are blank or that contain information which is not true.
- The cost or loan terms at closing are not what you agreed to.
- You are told that refinancing can solve your credit or money problems.
- Told that you can only get a good deal on a home improvement if you finance it with a particular lender.

Remember:
If a deal to buy, repair or refinance a house sounds too good to be true, it usually is!

Funding Announcements

During this quarter (Oct-Dec) HUD announced the following funding awards to benefit Eastern Washington communities:

Program	Units	Sponsor/Grantee	Amount
Elderly Housing (Section 202) Clarkston, WA	19	Community Frameworks	$ 1,437,200 Capital Advance 324,000 Rental Subsidy
Housing for the Disabled (Section 811) Richland, WA	15	Shalom Ecumenical Center	$ 1,183,000 Capital Advance 252,000 Rental Subsidy
Service Coordinator Grant	NA	Spokane Housing Authority-Hifumi En Apartments	$ 102,135
Housing Counseling Grants	NA	Spokane Neighborhood Action Program	$ 126,223
Fair Housing Initiative Program	NA	Northwest Fair Housing Alliance	$ 220,000
Major Repair Funds	NA	Public Housing Authorities	$ 2,159,714

Congratulations to those agencies awarded funds.

SAVE THESE DATE !!!!!!!!!!!!!!!!!!!!!!!!!!

January 17th, 2005 – HUD's Booth @ Martin Luther King Celebration Resource Fair – Riverpark Square --- 9:30am to 2:00 pm.
April 28, 2005 --- Fair Housing Training --- Details to Follow